

**It's time for you to turn Pro.**

Search over **17,000 sources**, including thousands not available on the free web.

**WSJ Professional Edition**

**GO PRO. TRY IT RISK-FREE FOR 4 WEEKS.**



**THE WALL STREET JOURNAL.**

PROFESSIONAL EDITION WITH FACTIVA

**TRY IT FREE**

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit [www.djreprints.com](http://www.djreprints.com)

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

**THE WALL STREET JOURNAL.**

WSJ.com

SAN FRANCISCO BAY AREA | APRIL 22, 2010

## Vintners Gravitate Toward Urban Crush

*Wineries Crop Up in Oakland and Other Cities as Oenophile Entrepreneurs Spurn Pricey Napa; Trucking In the Grapes*

By **BEN WORTHEN**

OAKLAND—The brochure for Jeff Cohn's wines feature pictures of the idyllic vineyards where his grapes come from, complete with glistening fruit, wooden posts and perfectly arranged rock piles.

The wine itself is made in a former Oakland sweatshop overlooking Interstate 880.

Mr. Cohn's JC Cellars shares these less-than-pastoral confines with another winery, Dashe Cellars. Both moved into the 16,000-square-foot warehouse in Oakland four years ago, and since then have equipped it with giant fermentation tanks, hundreds of oak barrels and a tasting room where visitors can sample wines.

Far from the bucolic vineyards in Napa and Sonoma 50 miles to the north, JC and Dashe are part of a growing scene of East Bay wineries. Drawn by the ability to pursue their dream careers in the wine industry while still living in an urban environment, a growing number of vintners have opened up shop in Oakland, Berkeley and Emeryville in the last several years. Wineries here range from JC and Dashe, which distribute their wines nationally, to start-ups launched by self-taught amateurs. The East Bay Vintners Alliance now counts 21 wineries, up from 11 in 2006, operating seven tasting rooms.

"The grapes don't care where they're made into wine," says Steve Shaffer, who this month opened a tasting room at his Jack London-district Oakland winery, Urban Legend.

Going urban is a cheaper way to break into the wine industry. Buying a vineyard isn't practical for many winemakers. In addition to the cost of the land—"insanely expensive," says Michael Dashe of Dashe Cellars—it takes several years before newly planted vines produce usable fruit. In the East Bay's wineries, winemakers buy grapes from all over Northern California.

Cities like Oakland are helping to promote the cottage industry. Mr. Shaffer's 2,500-square-foot winery is on Fourth Street and Martin Luther King Jr. Way, in an area where the city is encouraging redevelopment. Oakland officials gave him \$50 a square foot in grants and helped him secure the permits to operate a commercial winery. The city gives Dashe rebates on taxes it pays on the equipment it buys.

The wineries are "great branding for the city," says Margot Prado, a business-development specialist for Oakland. Many food- and beverage-related businesses have moved into Oakland recently, she adds, and the city is trying to turn their presence into an attraction.

The sprouting of such wineries is, in a way, a return to yesteryear. While grapes always have come from rural vineyards, most of the wine sold in the U.S. before Prohibition in the 1920s was aged and blended in warehouses around San Francisco, says James Lapsley, who teaches wine history at University of California, Davis. The vineyard-centric wine culture so familiar now evolved in the late 1960s and early 1970s, when baby boomers started buying more expensive wine and image became important to sales, he says.

In the East Bay, by contrast, the winemaking process usually starts with a truck to pick up the grapes. The winemakers crush, ferment and age their wine in their wineries, then use a

mobile service to bottle their wines. With a mobile service, a bottling truck arrives early in the morning and winemakers run a large hose to it from their vats. Bottled and labeled wines come out the other end.

Profiting from these ventures is no sure thing. Mr. Shaffer, a 53-year-old former telecommunications consultant, started making wine in his bathtub five years ago and decided to turn professional in the fall of 2008. While he says he always dreamed of owning a vineyard "somewhere in the foothills," he decided that warehouse space in Oakland was more practical. He spent about \$200,000 on his lease and equipment, and lost about \$50,000 last year. He produces 700 cases of Barbera, Sauvignon Blanc and Teroldego, and figures he won't break even until he can make and sell around 2,500 cases a year.

"Basically, I'm betting my retirement on this," he says.

It is possible to succeed as an urban winery. Rosenblum Cellars has been making Zinfandel in Alameda since 1978. Production has grown from 400 cases a year then to 120,000 today. In 2008, Rosenblum was acquired for \$105 million by beverage giant [Diageo PLC](#).

Meanwhile, Messrs. Dashe and Cohn both worked at other wineries for years and leased space from Rosenblum before setting out on their own. They produce 10,000 and 6,000 cases a year, respectively. Mr. Dashe says it took about five years to turn a profit. He has made enough money from his winery to support his family comfortably for some time. Many of the wines from these makers have received ratings of 90 and higher out of 100 from major critics.

Mike Millet, wine buyer for Rainbow Grocery in San Francisco, recently toured several East Bay wineries. He has stocked JC Cellars, Dashe and Urbano in the past, and decided this month to buy three cases of Mr. Shaffer's Sauvignon Blanc. He says he has tasted a few East Bay wines that he wasn't enthusiastic about, but at Urban Legend "the price is good for the quality of the wine in the bottle."

Mr. Millet says he doesn't pay much attention to the fact that these wines are made in an urban environment. "It's just different," he says.

**Write to Ben Worthen at [ben.worthen@wsj.com](mailto:ben.worthen@wsj.com)**

Copyright 2009 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)